

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7606**

**BILL NUMBER:** HB 1640

**NOTE PREPARED:** Jan 5, 2007

**BILL AMENDED:**

**SUBJECT:** Condominium common areas and facilities.

**FIRST AUTHOR:** Rep. Budak

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** No Fiscal Impact

**Summary of Legislation:** The bill allows all or part of the common areas and facilities of a condominium to be conveyed or encumbered if a majority of co-owners agree to the action. It provides that a different percentage of votes may be required to convey or encumber the common areas and facilities if the percentage is specified in: (1) the condominium declaration or condominium association bylaws; or (2) an amendment to the declaration or bylaws, if the amendment is approved by the co-owners. It provides that proceeds from the conveyance or encumbrance of common areas and facilities must be distributed to co-owners as common profits.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Karen Firestone, 317-234-2106.